

## Individualized Budget System

### Self-Advocates in Charge

The **individualized budgeting system** simply means that the money allocated for an individual's support and service plan are managed through a Fiscal Employer Agent. This new system puts the adult with a disability in control. With the help of family, friends, and a Support Broker the self-advocate determines what services and supports to purchase. The money can be used to buy supports and services from individual community members or from traditional providers. Just like a community member or non-traditional support provider, when a traditional provider is chosen a contract must be established that outlines the agreement and rates – that way all providers under the *My Voice*, *My Choice* option are Community Support Providers. Self-advocates along with their Circle of Support decide who to hire, when, and for what. Rates for services under this option are negotiable. People under contract to provide supports and services are paid through the Fiscal Employer Agent.

In the **traditional system**, once a budget is set, an individual, family, friends, and a plan developer identify what supports and services are available through traditional provider agencies. The Division of Medicaid then reimburses the agency for services rendered. The individual has limited control over who is hired and for what services. Under the traditional model rates for services are not negotiable. Typically, provider agencies have a set fee for service rate and they typically ask the individual to purchase all their services through one agency. This is called bundled services. Bundled services are the most cost effective for the private provider agencies.

### Fiscal Employer Agents (FEA)

The State of Idaho will contract with one or more agencies (FEA's) to provide fiscal management services for adult self-advocates who have elected to use Self-Directed Supports, the *My Voice*, *My Choice* waiver option. All people served under *My Voice*, *My Choice* will have their budget managed by a FEA. Even though the person will direct how their money for services is spent, the money will not be sent directly to the person or put into their personal bank account. The money for each individual's budget will be sent to the FEA, who manages the money and acts like a bank. The FEA provides fiscal management services, which is set up to protect the individual's budget. They make sure that the money is only spent on services that the individual has approved through their plan.

#### The Fiscal Intermediary

- Pays **all**, traditional and non-traditional, service providers.
- Takes care of all of the tax withholding and employment insurance, and reporting requirements, appropriate management of withholdings, tax payments, appropriate insurance coverage and annual reporting requirements.
- Provides monthly statements of account activity – sort of like a bank statement.
- Work out the formal provider agreements and will keep detailed records. In other words, they take care of the paperwork!

This document was adapted from the Maryland “New Directions” Medicaid Waiver.  
<http://www.tash.org/mdnewdirections/factsheetfi.htm>